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## FARM BUSINESS FACTS

Information from the Bureau of Agricultural Economics broadcast Monday, January 29, 1940, by Wallace Kadderly in the Department of Agriculture's portion of the National Farm and Home Hour.

FEB 1 3 1940

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Here is some information about feed grains, and wheat.

Last Saturday the Bureau of Agricultural Economics issued its regular monthly analysis of the feed situation. In it, the statement was made that the demand for feed grains from livestock producers may not be so strong in 1940 as it was in 1939. In 1938 and most of 1939, the ratio of livestock prices to feed prices was generally favorable for livestock producers. But this has not been true during the past 3 months. In December the ratios of prices of hogs, eggs, and butterfat to feed prices were less favorable than average, and the beef cattle-corn ratio was only about average.

These current unfavorable livestock feed ratios probably will tend to curtail livestock production and feeding during 1940, just as favorable ratios were an important factor in the sharp increase in hog production and cattle feeding during the past 2 years. It looks now as if the 1940 spring pig crop in most areas will be smaller than that of 1939. The number of cattle going into feed lots during the first half of 1940 may also be reduced.

Now as to the wheat situation. This also is an analysis prepared by the Bureau of Agricultural Economics.

Wheat prices in the United States continue high in comparison with other countries. What the domestic wheat prices during the next few months will be depends largely upon three things: the volume of overseas sales of Canadian wheat; general business conditions; and the manner in which farmers dispose of wheat now under loan. Wheat specialists in the Bureau say the market apparently will be able to absorb a reasonable volume of sales without much price effect if the wheat loans are liquidated in an orderly manner, but a large volume of sales in any short period might have a temporarily depressing effect on prices.

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BIBLIOGRAPHY

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